

Message Text

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45

ACTION EA-14

INFO OCT-01 ADP-00 AID-20 IGA-02 OMB-01 CIEP-02 TRSE-00

CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03 NSAE-00 NSC-10

PA-03 RSC-01 PRS-01 SS-15 USIA-12 STR-08 SR-02 ORM-03

AGR-20 EB-11 RSR-01 /151 W
----- 085167

R 021121 Z MAY 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 1049

C O N F I D E N T I A L SAIGON 7622

JOINT STATE/ AID MESSAGE

E. O. 11652: GDS

TAGS: ECON, VS

SUBJECT: GVN ECONOMIC PROGRAM

1. ON APRIL 28, A DRAFT REPORT ON PROPOSED ECONOMIC AND FINANCIAL MEASURES WAS PRESENTED BY THE MINISTERS OF ECONOMY AND FINANCE TO THE CABINET AND PRESIDENT. THE PROGRAM, INTENDED FOR IMPLEMENTATION OVER THE NEXT TWO OR THREE MONTHS, IS DESIGNED TO GET THE ECONOMY MOVING TOWARD RECOVERY AND DEVELOPMENT BY THE END OF 1973. WE UNDERSTAND THE PRESIDENT HAS ENDORSED THE PROGRAM IN GENERAL TERMS, AND WILL PROBABLY REFER TO IT IN A FORTHCOMING SPEECH TO THE NATIONAL ASSEMBLY. THE PROGRAM INCLUDES ABOUT 50 MEASURES, SOME OF THEM AS YET STATED ONLY IN OUTLINE, WITH DETAILS YET TO BE FILLED IN. ADDITIONS AND DELETIONS WILL PROBABLY OCCUR AS THE PLAN TAKES MORE DEFINITE FORM OVER THE NEXT FEW WEEKS.

2. THE DRAFT REPORT PRESENTED TWO GENERAL THEMES:

- A. REFUGEE RESETTLEMENT, RURAL RECONSTRUCTION AND DEVELOPMENT.
- B. STIMULATION OF PRIVATE INVESTMENT.

THE REPORT STATES THAT TO CARRY OUT THE PROGRAM, IT IS NECESSARY TO INCREASE THE 1973 BUDGET FROM 435 BILLION PIASTERS TO 490 BILLION. OF THIS ADDITIONAL 55 BILLION PIASTERS, 25 WOULD BE USED FOR RELIEF
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AND RESETTLEMENT AND 30 FOR REHABILITATION AND RECONSTRUCTION.
FOLLOWING PARAS LIST MAJOR ELEMENTS OF THE PROGRAM.

RTY	MARCH	JAN	CHANGE
	1973	1972	
SOCIALDEMORRATS (SDP)	28.2	255	
	2.4		
CONSERVATIVES (KOK)	18.1	17.6	0.5
PEOPLES' DEMOCRATS (SKDL)	17.9	17.0	0.9
CENTER (KESK)	17.8	16.4	1.4
SWEDISH PEOPLES (RKP)	5.7	5.4	0.3
LIBERAL PEOPLES ' LKP)	5.3	5.2	0.1
CHRISTIANS (SKL)	2.6	2.5	0.1
RURAL (SMP)	2.4		
	9.2	-4.8	
UNITY (SKYP)	2.0		

4. POLL WAS COMMISSIONED BY CONSERVATIVE PARTY AND
PUBLISHED AT ITS PARTY CONGRESS TO LEND WEIGHT TO BID
FOR CENTER PARTY ALLIANCE. THE RESULTS CONFIRM THE TRENDS
SHOWN IN LAST AUTUMN' S COMMUNAL ELECTIONS

BUT THE POLL
WAS TAKEN IN THE FIRST TWO WEEKS OF MARCH BEFORE A
NUMBER OF MAJOR POLITICAL EVENTS WHICH MAY HAVE AFFECTED
THE VOTER' S SYMPATHIES. THESE INCLUDE THE CONSERVATIVES'
INITIAL REJECTION OF THE EXTENSION OF THE GOVERNMENT' S
SPECIAL ECONOMIC POWERS, THE BREAKDOWN OF THE CENTRALIZED
COLLECTIVE BARGAINING NEGOTIATIONS, AND THE " ZAVIDOVO"
PRESS LEAK. THE CONSERVATIVES HAVE PROBABLY REPAIRED ANY
DAMAGE DONE EY THE FIGHT OVER THE SPECIAL POWERS BILL BY
A CONVINCING DISPLY OF CONTROL BY THE PARTY
LEADERSHIP AT THE BIENNIAL CONGRESS. IT IS STILL TOO
EARLY TO ASSESS THE EFFECT OF THE ZAVIDOVO LEAK ON THE
SOCIAL DEMOCRATS.

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*** Current Classification *** CONFIDENTIAL

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